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BALTIMORE SUN

27 September 1984

CIA denies allegation of assassination plan

The CIA yesterday sharply denied an allegation carried by ABC News that the spy agency engaged in a plot to kill Honolulu investment counselor Ronald Rewald, who claims his failed company was a CIA front.

In a rare public statement, the CIA declared that "The allegations are totally false. . . . As ABC knows, the CIA along with the rest of the U.S. government is prohibited by law from engaging in or contemplating assassination."

The CIA asked that ABC News retract its reports on the Rewald case that were broadcast September 19 and 20. Mr. Rewald is facing charges that he defrauded investors in his investment counseling firm of millions of dollars.

In response to the CIA statement, ABC News spokeswoman Joanna Bistany said, "We stand by our story." She added that ABC News "never accused the CIA of attempting an assassination," but only reported what was alleged by Mr. Rewald and Scott Barnes, who is described by ABC News as having an "extensive intelligence background."

In its September 20 report, ABC News quoted Mr. Barnes as saying he took a job as a prison guard in the Honolulu jail where Mr. Rewald is being held on fraud charges.

Mr. Barnes said he was told by his CIA contact that "We've got to take him [Mr.

Rewald] out. . . . You know, kill him," an assignment Mr. Barnes said he refused. ABC News did not identify Mr. Barnes's alleged CIA contact. The CIA said yesterday that Mr. Barnes was inventing the story.

The CIA has acknowledged using Mr. Rewald's firm, Bishop, Baldwin, Rewald, Dillingham and Wong, as a mail drop, but denies that the agency was involved in creation of the company or in handling investors' funds.

Mr. Rewald and a group of investors

have sued the CIA for \$671 million for damages related to the collapse of the firm.

From Wire Services